TRANSMITTAL OF APPEAL BRIEF (Small Entity)	Docket No. MDB0001-US

In Re Application Of: **Michael D. Bednarek**

Serial No.	Filing Date	Examiner	Group Art Unit
09/365,748	**August 3, 1999**	**J. D. Janvier**	**3622**

Invention: **SYSTEM AND METHOD FOR SUPPORTING PARTICIPANT SPECIFIC INCENTIVES AND PROMOTIONS**

TO THE COMMISSIONER FOR PATENTS:

Transmitted herewith in triplicate is the Appeal Brief in this application, with respect to the Notice of Appeal filed on: **May 18, 2004**

Applicant is a small entity under 37 CFR 1.9 and 1.27.

A verified statement of small entity status under 37 CFR 1.27:

- ☐ is enclosed.
- ☐ has already been filed in this application.

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Laurence D. Levi (41,009)
Signature

Dated: **May 18, 2004**

for
MICHAEL D. BEDNAREK

I certify that this document and fee is being deposited on with the U.S. Postal Service as first class mail under 37 C.F.R. 1.8 and is addressed to the Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re the Application of:	
MICHAEL D. BEDNAREK	
Serial No.: 09/365,748	Art Unit: 3622
Filed: August 3, 1999	Examiner: J. D. Janvier
For: SYSTEM AND METHOD FOR SUPPORTING PARTICIPANT SPECIFIC INCENTIVES AND PROMOTIONS	

APPEAL BRIEF UNDER 37 C.F.R. § 1.192

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P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

I. REAL PARTY IN INTEREST

The named inventor, Michael Bednarek, is the real party in interest.

II. RELATED APPEALS AND INTERFERENCES

The appellant is not aware of any other pending appeals or interferences that will directly affect or be directly affected by, or have a bearing on the Board's decision in this appeal.

III. STATUS OF CLAIMS

Claims 58-77 are currently pending in this application, claims 1-57 have previously been canceled. Claims 67-77 have been rejected under 37 C.FR. § 101 as allegedly directed to nonstatutotory subject matter. Claims 58-77 have also been rejected as unpatentable over the prior art.

IV. STATUS OF AMENDMENTS

Appellant is appealing a final rejection mailed December 19, 2003. No amendment was

filed in response to the final rejection.

V. SUMMARY OF INVENTION

The present invention provides a computer implemented variable redemption rate incentive program and method for encouraging certain participant actions. Features of the program are described on, for example, pages 26-34 of the specification and implementation examples are described on pages 41-47 and 52-60. Some of the claims involved in this appeal relate to the specific example of the incentive program applied to casino gaming that is described in the specification on, for example, pages 52-60.

The details of the incentive program and methods claimed are set forth in the claims that are the subject of this appeal, which are reproduced in the Appendix hereto. In general the incentive program and method provide, among other things, a computer system implemented reward program pursuant to which points (e.g., "Base Points") that a participant has earned are redeemed at redemption rate (RR) that is individually determined for that individual participant based upon the participants individual action. Thus, for example, the setting of the redemption rate UP or DOWN can be a feature of a second reward program to individually encourage participant action such as frequency of use. Various examples are described in the specification.

Importantly, a record of each participant's individual redemption rate is stored in computer memory in association with the participant's ID. Thus, for example, the redemption rate (RR) that is associated with a particular participant ID can be adjusted in response to certain action by that participant pursuant to the second reward program.

The incentive program is applicable to casino gaming and can be used, for example, to encourage the player (participant) to play frequently and improve utilization of the underlying

casino game. In this example, the computer system includes a timer that determines whether a predetermined time period has elapsed between consecutive play of the casino game. If the player has a positive credit winnings balance, the redemption rate is increased by predetermined amount every time the player plays within the predetermined time period. If the player has a negative credit winnings balance, then the redemption rate is decreased by predetermined amount every time the player plays within the predetermined time period. If the player has a positive credit winnings balance, the redemption rate is decreased by predetermined amount whenever the predetermined time period interval has passed without the player playing. If the player has a negative credit winnings balance then the redemption rate is increased by predetermined amount whenever the predetermined time period interval has passed without the player playing.

The specific features of the present invention are set for the in the claims.

VI. GROUPING OF CLAIMS

The claims that are the subject of this appeal may be grouped as detailed below. The claims within each groups stand or fall together, but the claims of separate groups do not stand or fall together. In compliance with § 1.192 (c)(8), Appellant has provided a separate argument for each claim grouping and thus provided the requested explanation of why the claims of the group are believed to be separately patentable

The Rejection Under § 101

For purposes of the rejection under § 101, the claims may be grouped as follows:

Group 1: Claims 58-66;

Group 2: Claims 67-73;

Group 3: Claims 74-77.

The independent claims of this application each require computer implementation and some additional features that should be considered separately in reviewing the rejection under § 101.

The Prior Art Rejections

For purposes of the prior art rejections, the claims should be considered in the following groups (separate arguments are provided for each group):

Group 1: Claims 58 and 62

Group 2: Claim 59

Group 3: Claim 60

Group 4: Claim 61

Group 5: Claims 63, 65 and 66

Group 6: Claim 64

Group 7: Claims 67, 68, 70 and 73

Group 8: Claim 69

Group 9: Claims 71 and 72

Group 10: Claims 74, 75 and 77

Group 11: Claim 76

VII. ARGUMENT

The Rejection Under § 101 Is Improper And Should Be Reversed

The Examiner's Rejection Under 35 U.S.C. § 101 Is Improper As Matter Of Law

The Examiner rejected claims 67-73 and 74-77 under 35 U.S.C. § 101 based upon the contention that the claimed invention is directed to a non-statutory subject matter. Appellant respectfully submits that the Patent Office's position in this regard is inconsistent with the jurisprudence of the reviewing court, the Court of Appeals for the Federal Circuit, which in the *State Street* case and others has made clear that patent laws extend to anything under the sun made by man.

The Examiner evidently contends that that the court in *State Street* "never addressed" addressed the "technological arts" requirement the U.S.P.T.O. contends exists based on *In re Toma.* Appellant respectfully submits that the U.S.P.T.O. position set forth in *Ex parte Bowman* is improper and inconsistent with the *State Street* case. Appellant understands that the Examiner is bound by the U.S.P.T.O. position, but raises this threshold issue to preserve the right to challenge the U.S.P.T.O. position in his appeal to the Federal Circuit, if necessary

The Claims Rejected Under § 101 Are Directed To Statutory Subject Matter

The rejection under § 101 based upon the contention that the claimed invention is directed to a non-statutory subject matter should also be reversed because Appellant amended the claims to define a computer implemented method. In the *Toma* case relied upon by the Examiner, the court found that the claimed invention was within the "technological art" because the claimed operation was performed by a computer. Under the *Toma* standard, all of the claims involved in this appeal fall squarely in the "technological art" since all of the claims require technical structure either directly or to implement the claimed method.

Independent Claim 58 is limited to a "computer implemented" incentive program in which an individually determined redemption rate is "stored in memory" in association with each participant ID. Claim 59 further requires that the computer implemented program be implemented with a system that includes a participant action reporting unit, a participant ID Input unit; a data storage and memory unit; a redemption unit; an incentive adjustment unit and a computation unit. Claim 63 adds the requirement that the program is applied to a casino game. Claim 64 requires a timer. Claim 66 requires a display screen.

Independent claim 67 defines a computer implemented method in which, among other things, records are maintained that allow calculation and storage in memory, for each participant of: Base Points Earned (BP), Redemption Rate (RR), and Program Points (PP). Likewise, Independent Claim 74 defines a computer implemented method in which a record of base points (BP) is stored in memory.

Thus, even if the "technological art" requirement can be read into the patent law in contradistinction to the clear mandate of the U.S. Supreme Court and the Court of Appeals for the Federal Circuit, the claims at issue here satisfy the "technological art" requirement.

The Examiner's Rejection Based Upon The Prior Art Is Improper And Should Be Reversed

General Argument: The Examiner Has Failed To Put Forth A Prima Facie Case

To begin with, the Examiner has failed to set forth an appropriate prima facie case to support the rejection. In particular, although the Examiner has pasted pages of text from the references into the Office Action, the Examiner has not provided nor demonstrated that each of the claimed features is present or even suggested by the prior art of record. For example, the Examiner has not even attempted to address the specific features set forth in claims 60-62. The

Examiner has not shown the possibility of non-integer redemption rate as specifically required by these claims. Further, the Examiner has not shown a redemption rate that is associated with a particular participant ID as required by independent claim 58.

The point-service system in online shopping mall disclosed by Ikeda et al. is fundamentally different from the incentive program of the present invention. In particular, an important part of the present invention is the fact that each participant has an individually determined participant redemption rate associated with their participant ID and the individually determined redemption rate that is associated with a particular participant ID is adjusted in response to certain action by the participant. The individually determined participant redemption rate is stored in memory in association with each participant ID.

In contrast, to the extent that Ikeda et al. shows adjustments and redemption rates or redeeming ratio, the adjustment is made by the vendors or shops. Thus, the Examiner's citation of column 11, lines 50-53, actually highlights the critically important difference between the system described by Ikeda et al. on the program of the present invention. For this reason, Appellant respectfully submits that Ikeda et al. neither discloses nor suggests the claimed incentive program pursuant to which a participant rate (RR) is stored in memory in association with each participant ID and the redemption rate (RR) that is associated with a particular participant ID is adjusted in response to certain action by that participant pursuant to the second reward program. In addition, as demonstrated in Fig. 8, the program points total associate with each participant ID in Ikeda et al. is simply the 12 points earned by that participant. This would be equivalent to the base points earned of the present invention. Ikeda et al. does not disclose a

"program points (PP) total associated with each participant ID, wherein PP are the product BP and RR so that PP = BP x RR.

In short, Ikeda et al. fails to disclose or remotely suggest individually determined redemption rates. Instead, Ikeda et al. focuses on redemption rates that are set for particular vendors not participants.

With regard to the rejection based upon the combination of Ikeda et al. and Cook et al., Appellant respectfully submits that there is nothing the prior art of record disclose to suggest the combination of teachings of these pair of references. Thus, Appellant traverses this rejection as being based upon impermissible hindsight. In addition, even if these references could be combined, the combination would fail to disclose or even remotely suggest the specific feature set forth in claims 64-66. The Examiner has not even attempted to show the claimed features of claim 66 would result, for example. Moreover, the Examiner has not shown where the specific features set forth in claim 64 would result. Instead, the Examiner has suggested that if the teachings of Cook et al. and Ikeda et al. could be combined, one of the advantages of the present invention, namely increased utilization of the machines, would be generally achieved. This is plainly insufficient prima facie case of obviousness

Arguments With Regard To Each Claim Grouping

Claims 58 and 62

Among other things, Ikeda plainly fails to disclose or suggest the claimed:

> *a second reward program pursuant to which an individually determined participant redemption rate (RR) is stored in memory in association with each participant ID and the redemption rate (RR) that is associated with a particular*

participant ID is adjusted in response to certain action by that participant pursuant to the second reward program.

Ikeda does not teach or suggest an individually determined redemption rate stored in memory in association with a particular participant ID. It follows that Ikeda also doesn't teach adjusting such an individually determined redemption rate in response to action by the particular participant with whom the individual redemption rate is associated.

As acknowledged by the Examiner, the participant is the customer and Ikeda discloses associating a redemption rate with a store, not a customer, and that the redemption rate is applicable to all customers of that store without regard to the action of the participant customers. For this reason, the Examiner's contention that the calculation of the value of base points using a store's particular redemption ratio satisfies the claimed second reward program is without merit. There is nothing in the teachings of Ikeda to suggest that a store's redemption rate is stored in association with a participant's ID or that the store's redemption rate is adjusted in response to participant action.

Claim 59

Among other things, the Examiner has made no effort to demonstrate that Ikeda discloses or suggests the claimed participant action reporting unit, participant ID Input unit; incentive adjustment unit and a computation unit. For this reason, the rejection of Claim 59 is legally deficient and should be reversed.

Claim 60

Among other things, Ikeda plainly fails to disclose or suggest the claimed a computer implemented incentive program wherein at least some of the participant redemption rates (RR)

are not integers. Remarkably, in the office action of December 19, 2003, the Examiner cites to Ikeda's use of "whole or integer value" redemption rates to demonstrate that Ikeda teaches non-integer redemption rates. This rejection of Claim 60 is plainly wrong and should be reversed.

Claim 61

Claim 61 requires that a base redemption rate is associated with each participant and the base redemption rate is not the same for all participants and at least some of the base redemption rates are non-integer number values. This is directly contrary to Ikeda, which teaches that the redemption rate is set for each store and is the same for all participants at that store. For this reason, the rejection of Claim 61 is improper and should be reversed.

Claims 63, 65 and 66

To reject Claim 63, the Examiner relies on the combination of Ikeda et al. and Cook et al., Appellant respectfully submits that there is nothing in the prior art of record disclose to suggest the combination of teachings of these references. Thus, Appellant traverses this rejection as being based upon impermissible hindsight. In addition, even if these references could be combined, the combination would fail to disclose or even remotely suggest the specific feature set forth in claims 64-66. The Examiner has not even attempted to show the claimed features of claim 66 would result, for example. Moreover, the Examiner has not shown where the specific features set forth in claim 64 would result. Instead, the Examiner has suggested that if the teachings of Cook et al. and Ikeda et al. could be combined, one of the advantages of the present invention, namely increased utilization of the machines, would be generally achieved. This is plainly insufficient prima facie case of obviousness

Ikeda teaches a points based incentive program. There is nothing in either Ikeda or Cook to suggest the use of such an incentive system in the context of a casino game. Moreover, Ikeda discloses only different redemption rates for different stores, The Examiner has taken Appellants teaching of individual redemption rates (***not*** Ikeda's teaching of store specific redemption rates) and concluded that Appellant's invention could be used in the casino game context in view of Cook. This analysis is plainly flawed and the rejection should be reversed.

Claim 64

Claim 64 sets specific features that are plainly not disclosed or suggested in the prior art of record. Among other things, Claim 64 requires that the system includes a timer that determines whether a predetermined time period has elapsed between consecutive play of the casino game. This feature is not suggested in the prior art of record. Claim 64 further requires that if the player has a positive credit winnings balance, the redemption rate is increased by predetermined amount every time the player plays within the predetermined time period and if the player has a negative credit winnings balance, then the redemption rate is decreased by predetermined amount every time the player plays within the predetermined time period. Moreover, Claim 64 also requires that if the player has a positive credit winnings balance, the redemption rate is decreased by predetermined amount whenever the predetermined time period interval has passed without the player playing; and if the player has a negative credit winnings balance then the redemption rate is increased by predetermined amount whenever the predetermined time period interval has passed without the player playing. The Examiner has failed to establish that these features are disclosed in the prior art of record.

Claims 67, 68, 70 and 73

Among other things, Claim 67 requires:

allowing participants in the first incentive program to participate in a second incentive program pursuant to which participants in the second program are assigned an individually variable redemption rate and the individually variable redemption rate assigned to each participant is adjusted in response to participant action and wherein the redemption rate associated with a participant determines the redemption value of the point total associated with that participant such that the redemption value for two participants having an identical point total can be different as a consequence of participant action in the second program

Claim 67 further requires maintaining records that allow calculation and storage in memory, for each participant of: Base Points Earned (BP) Redemption Rate (RR) and Program Points (PP), which is the total points earned under the second incentive program.

Ikeda does not teach or suggest an individually determined redemption rate stored in memory in association with a particular participant ID. It follows that Ikeda also doesn't teach adjusting such an individually determined redemption rate in response to action by the particular participant with whom the individual redemption rate is associated.

As acknowledged by the Examiner, the participant is the customer and Ikeda discloses associating a redemption rate with a store, not a customer, and that the redemption rate is applicable to all customers of that store without regard to the action of the participant customers. For this reason, the Examiner's contention that the calculation of the value of base points using a store's particular redemption ratio satisfies the claimed second reward program is without merit.

There is nothing in the teachings of Ikeda to suggest that a store's redemption rate is stored in association with a participant's ID or that the store's redemption rate is adjusted in response to participant action.

Claim 69

Claim 69 adds the further limitation that the second incentive program is a periodic redemption system wherein base points are converted into program points at the end of a predetermined period by reference to the redemption rate in effect at the end of the period. This is directly contrary to Ikeda which does not teach or suggest periodic conversion of points.

Claims 71 and 72

Claims 71 and 72 require that at least some of the participant redemption rates (RR)are not integers. This is directly contrary to Ikeda, which teaches that the redemption rate is set for each store and is the same for all participants at that store. Remarkably, in the office action of December 19, 2003, the Examiner cites to Ikeda's use of "whole or integer value" redemption rates to demonstrate that Ikeda teaches non-integer redemption rates. For this reason, the rejection of Claim 71 is improper and should be reversed.

Claim 74, 75 and 77

Claim 74 requires, among other things:

providing an incentive program pursuant to which participants in the incentive program are assigned ~~a~~ an individually determined redemption rate (RR) and earn program points (PP), wherein the redemption rate (RR) assigned to each participant is adjusted in response to participant action and wherein the program points (PP) are determined by

*converting base points (BP) into program points (PP) according to the following formula: PP=BP*RR.*

Ikeda does not teach or suggest an individually determined redemption rate stored in memory in association with a particular participant ID. It follows that Ikeda also doesn't teach adjusting such an individually determined redemption rate in response to action by the particular participant with whom the individual redemption rate is associated.

As acknowledged by the Examiner, the participant is the customer and Ikeda discloses associating a redemption rate with a store, not a customer, and that the redemption rate is applicable to all customers of that store without regard to the action of the participant customers. For this reason, the Examiner's contention that the calculation of the value of base points using a store's particular redemption ratio satisfies the claimed second reward program is without merit. There is nothing in the teachings of Ikeda to suggest that a store's redemption rate is stored in association with a participant's ID or that the store's redemption rate is adjusted in response to participant action.

Claim 76

Claim 76 adds the further limitation that the second incentive program is a periodic redemption system wherein base points are converted into program points at the end of a predetermined period by reference to the redemption rate in effect at the end of the period. This is directly contrary to Ikeda which does not teach or suggest periodic conversion of points.

Conclusion and Request for Oral Hearing

For all of the above reasons, Appellant respectfully request that the Honorable Board review and reverse that Examiner's rejections.

Appellant requests a Oral Hearing of his appeal.

For these reasons, reconsideration and withdrawal of the outstanding rejections are earnestly solicited. In view of the foregoing, this application is in condition for allowance. Prompt issuance of a Notice of Allowance is earnestly solicited.

Should the Examiner have any questions or determine that any further action is desirable to place this application in even better condition for issue, the Examiner is encouraged to telephone applicants' undersigned representative at the number listed below.

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Respectfully submitted,

Date: May 18, 2004

By: 
Michael D. Bednarek

Appendix: The Claims Under Appeal

58. A computer implemented incentive program for encouraging certain participant actions, the program comprising:

a plurality of participants;

a participant ID associated with each participant;

a first reward program under which participants may earn points for certain participant actions, wherein a point total is associated with each participant and a record is maintained of Base Points Earned (BP), indicative of the number of points earned for a Participant Action (PA) pursuant to the first reward program;

a second reward program pursuant to which an individually determined participant redemption rate (RR) is stored in memory in association with each participant ID and the redemption rate (RR) that is associated with a particular participant ID is adjusted in response to certain action by that participant pursuant to the second reward program; and

a Program Points (PP) total associated with each participant ID, wherein PP are the product of BP and RR so that PP=BP*RR.

59. The computer implemented incentive program of Claim 58, wherein the program is implemented with a system that includes: a participant action reporting unit, a participant ID Input unit; a data storage and memory unit; a redemption unit; an incentive adjustment unit and a computation unit.

60. The computer implemented incentive program of Claim 58, wherein at least some of the participant redemption rates (RR) are not integers.

61. The computer implemented incentive program of Claim 58, wherein a base redemption rate is associated with each participant and the base redemption rate is not the same for all participants and at least some of the base redemption rates are non-integer number values.

62. The computer implemented incentive program of Claim 58, wherein the first reward program is a rebate program under which participants earn points for certain purchases and the second reward program is a variable redemption rate program through which the individually determined redemption rate associated with a particular participant is adjusted in response to certain participant action.

63. The computer implemented incentive program of Claim 58 applied to a casino game such that the plurality of participants are players; the players' participant ID is determined by the location of the machine or associated with each participant; the casino game is a first reward program under which participants may earn points (BP) that may be redeemed for cash or prizes and the second reward program is a variable redemption rate program through which points may be redeemed for currency based upon the redemption rate (RR) in effect at the time of redemption and wherein the redemption rate associated with a particular participant is adjusted in response to certain participant action.

64. The computer implemented incentive program applied to casino gaming of Claim 63, wherein to encourage the player to play frequently and improve utilization of the underlying casino game, the system includes a timer that determines whether a predetermined time period has elapsed between consecutive play of the casino game and wherein:

if the player has a positive credit winnings balance, the redemption rate is increased by predetermined amount every time the player plays within the predetermined time period;

if the player has a negative credit winnings balance, then the redemption rate is decreased by predetermined amount every time the player plays within the predetermined time period;

if the player has a positive credit winnings balance, the redemption rate is decreased by predetermined amount whenever the predetermined time period interval has passed without the player playing; and

if the player has a negative credit winnings balance then the redemption rate is increased by predetermined amount whenever the predetermined time period interval has passed without the player playing.

65. The computer implemented incentive program applied to casino gaming of Claim 63, wherein the variable redemption rate is used to provide an auxiliary game pursuant to which a player that has a net positive balance can place an auxiliary bet that, if won, results in increasing the redemption value of the positive balance.

66. The computer implemented incentive program applied to casino gaming of Claim 63, further comprising a display screen for displaying information concerning the amount of dollars on deposit, the net results, the current redemption rate, the dollar value of the net results determined by applying the current redemption rate and the current balance and a visual display to graphically illustrate the time remaining.

67. A computer implemented method of incenting participant action by participants in a first incentive program pursuant to which participants earn points, and a record of the point total for each participant in the first program is maintained, the point total reflecting the points earned by the participant pursuant to the first program, the method comprising:

allowing participants in the first incentive program to participate in a second incentive program pursuant to which participants in the second program are assigned an individually variable redemption rate and the individually variable redemption rate assigned to each participant is adjusted in response to participant action and wherein the redemption rate associated with a participant determines the redemption value of the point total associated with that participant such that the redemption value for two participants having an identical point total can be different as a consequence of participant action in the second program; and

wherein records are maintained that allow calculation and storage in memory, for each participant of:

Base Points Earned (BP), indicative of the number of points earned for a Participant Action (PA) pursuant to the first incentive program;

Redemption Rate (RR), which is the value of the individually determined redemption rate associated with the participant pursuant to the second incentive program; and

Program Points (PP), which is the total points earned under the second incentive program.

68. The method of Claim 67, wherein the second incentive program is a continuous redemption system wherein base points are converted into program points as they are earned by reference to the redemption rate in effect at the time of the participant action for which the points were earned.

69. The method of Claim 67, wherein the second incentive program is a periodic redemption system wherein base points are converted into program points at the end of a predetermined period by reference to the redemption rate in effect at the end of the period.

70. The method of Claim 67, wherein the second incentive program is a redemption on demand system wherein base points are converted into program points only upon the participant's demand by reference to the redemption rate in effect at the time of demand.

71. The method of Claim 67, wherein at least some of the participant redemption rates (RR)are not integers.

72. The method of Claim 67, wherein a base redemption rate is associated with each participant and the base redemption rate is not the same for all participants and at least some of the base redemption rates are non-integer number values.

73. The method of Claim 67, wherein the first reward program is a rebate program under which participants earn points for certain purchases and the second reward program is a variable redemption rate program through which the cash value redemption rate associated with a particular participant is adjusted in response to certain participant action.

74. A computer implemented method of providing an incentive for participant action by participants engaged in an activity pursuant to which participants earn points, and a record of the base points (BP) for each participant is stored in memory, the base points (BP) being the points earned by the participant engaged in the activity, the method comprising:

providing an incentive program pursuant to which participants in the incentive program are assigned ~~a~~ an individually determined redemption rate (RR) and earn program points (PP), wherein the redemption rate (RR) assigned to each participant is adjusted in response to participant action and wherein the program points (PP) are determined by converting base points (BP) into program points (PP) according to the following formula: PP=BP RR.

75. The method of Claim 74, wherein the incentive program is a continuous redemption system wherein base points are converted into program points as they are earned by reference to the redemption rate in effect at the time of the participant action for which the points were earned.

76. The method of Claim 74, wherein the incentive program is a periodic redemption system wherein base points are converted into program points at the end of a predetermined period by reference to the redemption rate in effect at the end of the period.

77. The method of Claim 74, wherein the incentive program is a redemption on demand system wherein base points are converted into program points only upon the participant's demand by reference to the redemption rate in effect at the time of demand.